

NOTES TO THE COUNCIL TAX BASE – 2014/2015

1 The Local Government Finance Act 1992 requires Councils which collect the Council Tax (known as “Billing Authorities”) to carry out certain functions. This includes the calculations in Sections 31 to 37 of the Act concerned with setting the Council Tax. These calculations produce the Council Tax Base, which is used to work out the basic amount of Council Tax. This must be notified to Hertfordshire County Council and Hertfordshire Police Authority (known as precepting authorities) between 1st December and 31st January in the financial year before that to which the Tax Base applies.

2 The methodology for calculating the base is contained within The Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012 (SI2914/2012), “the Regulations”.

3 The calculation is made by applying the following formula:-

$$T = A \times B$$

where -

A is the total of the “relevant amounts” for that year for each of the valuation bands shown in the billing authority’s valuation list as applicable to one or more dwellings situated in its area;

B is the authority’s estimate of its collection rate for that year.

4 The Tax Base (denoted as “T”) is calculated by taking the total number of properties in each valuation band, reflecting the estimated discounts to be applied for single occupancy and empty properties, stating the net result in terms of Band D and applying to the total figure our best estimate of the rate of collection. Watford Borough Council will use the “T” figure to calculate its total Council Tax to be raised for the new financial year.

5 The formula set out in the regulations for the calculation of “A” is set out as:

$$((H - Q + E + J) - Z) \times \frac{E}{G}$$

where -

H is the number of chargeable dwellings in the area listed in the band on 30 November (described as ‘Dwellings’ in the Appendices); less the number of dwellings which were exempt on that day; plus or less the net number of full-year equivalent dwellings in each band resulting from properties being placed in a lower valuation band reflecting reductions for disabled persons under Section 13 of the Act. This is shown in Row 6.

Q is a factor to take into account the amount of discounts of council tax payable and is calculated by multiplying the number of dwellings affected by the relevant percentage discount. Shown in Row 10 of the table

J is the amount of any adjustment in respect of changes in the number of chargeable dwellings (described as “Additions and Reductions” in the Appendices). Shown in Row 12 of the table.

Z is the total amount that will be applied in accordance with the Council’s council tax reduction scheme in relation to the band expressed as an equivalent number of chargeable dwellings in that band. Shown in Row 14 of the table.

F is the number in the proportions 5:6:7:8:9:11:13:15:18 applicable to properties in Bands A Disabled to H respectively. Shown in Row 16 of the table.

G is the number, which, in that proportion, is applicable to dwellings in valuation Band D (i.e. 9). Shown in Row 17.

6 The result of the calculation is that "A" is determined as 31,043.40

7 For the purposes of calculating "T", the assumed collection rate "B" has been determined to be 97%.

8 This results in the calculation of T being $31,043.40 \times 97\% = 30,112.10$

9 The other authorities who raise monies from the residents of Watford (the precepting authorities) will also use this figure and those from other billing authorities within their area to determine their Band D charge (Hertfordshire County Council will require this information from all ten Hertfordshire Districts). They will then total their "T" figure, divide it into the net income they need to raise, to arrive at their Band D charge, which will be notified to each relevant Billing Authority (District Council) in the form of both Band D charge and monies to be paid over to them during the year.

10 This information will be determined and notified in February when the whole budget exercise incorporating our likely expenditure and the precepts from the County Council and Police Authority will result in the Council setting its Council Tax levels for 2014/15 at the Functions Committee on 27 February 2014.

AREA	Watford									
Description	Band A Disabled	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
1. Dwellings	0.00	278.00	3,896.00	13,885.00	12,311.00	3,574.00	2,134.00	1,861.00	82.00	38,021.00
2. Demolished	0.00	0.00	0.00	1.00	0.00	1.00	1.00	1.00	1.00	5.00
3. Exemptions	0.00	10.00	86.00	149.00	102.00	24.00	17.00	12.00	0.00	400.00
4. Long Term Empty Premium	0.00	0.00	0.00	1.00	1.00	3.00	2.00	0.00	0.00	7.00
5. Disabled Relief	0.00	9.00	24.00	32.00	-27.00	-13.00	-4.00	-16.00	-5.00	0.00
6. Chargeable Dwellings (H)	0.00	277.00	3,834.00	13,767.50	12,182.50	3,537.50	2,113.00	1,832.00	76.00	37,619.50
7. Discounts x 25% SPD	0.00	199.00	2,330.00	5,157.00	3,181.00	721.00	347.00	252.00	1.00	12,188.00
8. Discounts x 25%	0.00	0.00	18.00	170.00	111.00	26.00	12.00	8.00	0.00	345.00
9. Discounts x 50%	0.00	0.00	0.00	5.00	6.00	10.00	3.00	12.00	12.00	48.00
10. Discount Deduction (Q)	0.00	49.75	587.00	1,334.25	826.00	191.75	91.25	71.00	6.25	3,157.25
11. Additions	0.00	0.00	84.00	56.00	2.00	4.00	0.00	0.00	0.00	146.00
12. Total Adjustments (J)	0.00	0.00	84.00	56.00	2.00	4.00	0.00	0.00	0.00	146.00
13. Sub-Total (H-Q+J)	0.00	227.25	3,331.00	12,489.25	11,358.50	3,349.75	2,021.75	1,761.00	69.75	34,608.25
14. Reduction Scheme (Z)	6.08	75.39	934.15	1,968.45	1,319.40	228.18	56.07	23.20	0.00	4,610.92
15. Net Dwellings ((H-Q+J)-Z)	-6.08	151.86	2,396.85	10,520.80	10,039.10	3,121.57	1,965.68	1,737.80	69.75	29,997.33
16. Band Proportion (F)	5.00	6.00	7.00	8.00	9.00	11.00	13.00	15.00	18.00	
17. Band D Proportion (G)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	
18. Band D Equivalents	-3.38	101.24	1,864.22	9,351.82	10,039.10	3,815.25	2,839.32	2,896.33	139.50	31,043.40

TAX BASE CALCULATION	
Total Band D Equivalents	31,043.40
Collection Rate	97.00%
Adjusted Band D	30,112.10
Contribution in Lieu	0.00
Tax Base	30,112.10